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## BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL

Chairman

JIM IRVIN

Commissioner

MARC SPITZER

Commissioner

2002 JUL 17 A 10:48

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE  
APPLICATION OF XO  
COMMUNICATIONS, INC  
FOR A GENERAL WAIVER OF RULES  
GOVERNING PUBLIC UTILITY  
HOLDING COMPANIES AND  
AFFILIATED INTERESTS

DOCKET NO. T-03601A-01-0965

IN THE MATTER OF THE APPLICATION  
OF XO ARIZONA, INC. AND  
AFFILIATES FOR EXPEDITED  
APPROVAL OF TRANSACTION

DOCKET NO. T-03775A-02-0389

**MOTION TO CONSOLIDATE**

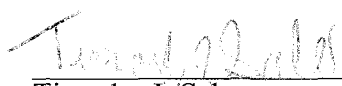
On December 11, 2001, XO Communications, Inc. ("XO") filed an application for a waiver of the Commission's Affiliate Interest Rules, A.A.C. R14-2-801 et seq. ("the waiver docket"). XO is the parent of XO Arizona, Inc. ("XO Arizona") and XO Long Distance, Inc. ("XO Long Distance"), two companies with Certificates of Convenience & Necessity issued by the Commission. On January 31, 2002, in Decision 64399, the Commission suspended the filing. Staff filed a Staff Report on March 9, 2002. On May 14, 2002, the waiver request was heard at an Open Meeting of the Commission. The Commission expressed concern about the Recommended Opinion & Order and allowed the matter to be removed from the agenda so that XO could address these concerns.

On May 23, 2002, XO filed an application to approve the proposed restructuring and recapitalization of XO, Docket NO. T-03775A-02-0389 and T-030601A-02-0389 ("the restructuring docket"). On June 27, 2002, XO filed a Supplemental Application in the restructuring docket. On July 10, 2002, XO filed recommended revised language for a waiver, based on a prior waiver granted to US West (nka Qwest).

Because the two applications present related issues, Staff concludes that it is appropriate to consolidate the waiver document and the reconstructing docket. Staff intends to file an

1 amended Staff Report in this matter on an expedited basis. Lastly, given the anticipated closing  
2 date, Staff recommends that the Commission expedite the processing of these applications.

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4 RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of July, 2002.

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14 The original and ten (10) copies of the foregoing  
15 were filed this 17<sup>th</sup> day of July, 2002 with:

16 Docket Control  
17 Arizona Corporation Commission  
18 1200 West Washington Street  
19 Phoenix, Arizona 85007

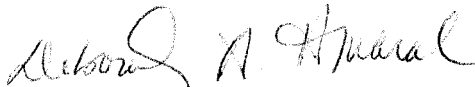
20 Copies of the foregoing were mailed/hand-delivered  
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